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Approved For Release 2002/06/12 : CIA-RDP68B00307R000100200015-6

15 March 1967

MEMO FOR THE RECORD

25X1A The Auditor's comment concerning the possibility of
25X1A the contractor's initial cost estimate being unrealistic
25X1D and a fee reduction being warranted was discussed with
[redacted] on 15 March 1967.

[redacted] covered studies for initial eval-
uations of problem areas in the [redacted] 25X1D
[redacted] for use in the proposed advanced aircraft system
designated Project ISINGLASS. The contract was negotiated
pursuant to proposals submitted by the contractor for
performance of these studies and submission of final
reports upon completion. The contract was not negotiated
on a level of effort basis.

By reason of the ISINGLASS Program never becoming
more than a minimal effort with certain characteristics
undefined the studies relating thereto could not cover
some areas to the extent initially contemplated although
the term of the contract was extended from 3 months to
8½ months.

It is the opinion of the undersigned that the work
scope should not have been reduced and that the contractor
exerted its best efforts within the state of the art in
performing the contract. Therefore, no adjustment in
fixed-fee is considered justifiable.



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Excluded from automatic
downgrading and
declassification

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